

Enersize Oyj proposes a fully underwritten rights issue and a directed issue totalling approximately SEK 28 million

The Board of Directors of Enersize Oyj ("Enersize" or the "Company") today announces its proposal for a fully underwritten rights issue of approximately SEK 14 million (the "Rights Issue") and a directed issue of approximately SEK 14 million (the "Directed Issue", together the "Issues"). The subscription price in both the Rights Issue and the Directed Issue is SEK 0.12 or EUR 0.012 per share. The Issues are subject to approval at an Extraordinary General Meeting scheduled for Friday, 5 November 2021.

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Summary

- The Board of Directors of Enersize has resolved to convene an Extraordinary General Meeting within short to be held on 5 November 2021. The notice of the Extraordinary General Meeting will be published through a separate press release.
- Through the Rights Issue, Enersize will receive approximately SEK 14 million and through the Directed Issue approximately SEK 14 million, a total of approximately SEK 28 million before issue costs.
- The Rights Issue is 100 percent covered by underwriting commitments.
- Enersize will allot one (1) subscription right to all shareholders registered in Enersize's shareholder register maintained by Euroclear Finland Oy or Euroclear Sweden AB for every (1) share held on the record date, which is scheduled to be 9 November 2021. Two (2) subscription rights entitle to subscription of one (1) new share in the Company.
- The subscription price in both the Rights Issue and the Directed Issue is SEK 0.12 or EUR 0.012 per share. The subscription price has been determined through negotiations with a number of investors and on the terms that the Board of Directors deems the issue can be carried out, adapted to the prevailing market situation. The Company's Board of Directors therefore considers that the subscription price is market-based.
- The subscription period in the Rights Issue runs from and including 12 November 2021, until and including 25 November 2021 in Sweden and 29 November 2021 in Finland.
- The total dilution of the Issues amounts to approximately 51 percent for shareholders who refrain from participating in the Rights Issue, based on the total number of shares in Enersize after both the Rights Issue and the Directed Issue and assuming the over-allotment option is fully exercised.
- An issue memorandum by reason of the Rights Issue will be published no later than 11 November 2021.

Summary of background and motives

The use of compressed air in manufacturing industry is widespread worldwide and corresponds to a total energy cost of more than SEK 2,000 billion. Several reports show that as much as 50 percent of this energy is lost due to leakage and inefficient use. At the same time, there is today a great interest in energy saving and reduced carbon footprint, and the interest increases as we see more direct consequences of the climate impact that energy use worldwide contributes to. Over the years, Enersize has helped numerous customers, large and small, to effectively reduce this huge waste.

Enersize provides a software solution for the analysis and monitoring of compressed air systems in industry. By using the Company's patented end-to-end solution for optimizing compressed air systems, manufacturing companies can achieve significant savings for both energy costs and carbon dioxide emissions.

In the past year, Enersize has launched a new business model, which is based on the sale of Software-as-a-Service (SaaS) subscriptions to the Company's cloud services. By providing software for analysis and monitoring of compressed air systems, more customers than ever before can use Enersize services to achieve a more efficient use of compressed air. The change has meant that the Company has centralized its operations to the head office in Lund. The sales organization now focuses primarily on signing agreements with strategic partner companies, unlike before when it has been more focused on direct sales, which means a much greater scalability in the business model.

For Enersize, the Covid-19 situation has meant delays in projects as well as restrictions on the ability to visit customers for Enersize and its partner companies. In addition, a change in the business model, previously consisting of larger project revenues, to now consist of recurring revenues from SaaS subscriptions, means that sales are initially expected to be lower, before larger volumes have been built up. All in all, this means that Enersize needs to be provided with additional capital before the Company can achieve cash neutrality.

The Enersize service portfolio is based on well-proven patented technology, developed by the Company's R&D department, which has tripled in size over the past year. The investment lays the foundation for Enersize's next generation of software and, together with important recruitments of key competencies within the Company's management, has laid the foundation for a planned growth of the business in 2022.

In 2021, the Board has actively investigated various alternatives for the Company's long-term financing. In May, a bridge financing of SEK 8.4 million was received from a small group of investors, maturing on December 31, 2021. The loan financing secured the working capital requirement in 2021, and enabled financial sustainability for the Board in the work of securing long-term, stable financing and an optimal capital structure for the coming years.

The new share issuances are estimated to secure Enersize's working capital during 2022. The issue proceeds will enable the continued establishment of the new business model and focused marketing and sales work in order to increase the number of partner companies offering Enersize's service portfolio, and:

- increase Enersize's recurring revenue from long and financially stable SaaS contracts,
- further trim and shape the organization for growth,
- continue the expansion of the R&D department, develop the next generation of cloud-based software solution and expand the patent portfolio.

In addition, the Board of Enersize has made progress in previously announced intentions to further centralize and streamline operations in Enersize in order to achieve a simplified company structure and administration and to reduce overhead costs. The Board has been looking at various opportunities to implement the streamlining, and domicile change and reverse acquisition have been developed as prime alternatives.

The Rights Issue

The Board of Directors proposes that the Extraordinary General Meeting resolves on an issue of no more than 116,886,926 new shares with preferential rights for the Company's existing shareholders, corresponding to an increase in the equity of approximately EUR 1.4 million. Otherwise, the main conditions below are proposed:

- Enersize will allot one (1) subscription right to all shareholders registered in Enersize's shareholder register maintained by Euroclear Finland Oy or Euroclear Sweden AB for every (1) share held on the record date, which is scheduled to be 9 November 2021. Two (2) subscription rights entitle to subscription of one (1) new share in the Company.
- Through the Rights Issue, the Company will receive approximately SEK 14 million before issue costs.
- The subscription price is SEK 0.12 or EUR 0.012 per share. The subscription price shall be added to the reserve for invested unrestricted equity.
- No fractions of shares will be issued and it will not be possible to partially exercise a single subscription right.
- The subscription period in the Rights Issue runs from and including 12 November 2021, until and including 25 November 2021 in Sweden and 29 November 2021 in Finland. The Company's Board of Directors shall have the right to extend the subscription period.
- A holder of subscription rights may participate in the Rights Issue during the subscription period by subscribing for new shares by submitting the subscription assignment and paying the subscription price in accordance with the instructions of the relevant custodian or account operator. Any subscription rights remaining unexercised at the end of the subscription period will expire without any compensation.
- Trading in subscription rights is expected to take place from and including 12 November 2021, until and including 22 November 2021.
- In the event that not all shares are subscribed for under subscription rights, the Board of Directors shall, within the maximum amount of the issue, resolve on allotment of shares without subscription rights. Allotment will then take place in the following order of priority:

- i. Primarily, allotment shall be made to those who subscribed for shares under subscription rights, regardless of whether the subscriber was a shareholder on the record date or not, pro rata in relation to the number of subscription rights exercised for subscription and, to the extent that this cannot be done, by drawing lots.
 - ii. Secondly, allotment shall be made to others who have signed up for subscription without subscription rights. In the event that they cannot receive full allotment, allotment shall be made pro rata in proportion to the number of shares subscribed for by each and, to the extent that this cannot be done, by drawing lots.
 - iii. In the third and final stage, any remaining shares shall be allotted to the parties who have underwritten the Rights Issue, in relation to the underwriting commitments made.
- In the event that the issue is oversubscribed, the Board of Directors may decide to use an over-allotment option to increase the issue by up to 11,688,692 additional shares (amounting to 10 percent of the issue or approximately SEK 1.4 million).
 - The new shares shall entitle to dividends for the first time on the record date for dividends that occur after the issue has been registered.
 - For existing shareholders who refrain from participating in the Rights Issue, the dilution amounts to no more than approximately 35 percent based on the total number of shares in Enersize after the Rights Issue, assuming the over-allotment option is fully exercised.

The Directed Issue

The Board of Directors proposes that the Extraordinary General Meeting resolves on an issue of no more than 116,886,926 new shares with deviation from the shareholders' preferential rights, corresponding to an increase in the equity of approximately EUR 1.4 million. Otherwise, the main conditions below are proposed:

- The right to subscribe is, with deviation from the shareholders' preferential rights, given pro-rata to the following qualified investors: John Fällström, Gerhard Dal, Råsunda Förvaltning AB, Modelio Equity AB, J.O. Möllerström Brothers Operation AB, Torsion Invest AB, Hajelo AB, Mikael Blihagen, Ironblock AB, Staffansgården i Trää AB. The reason for the deviation from the shareholders' preferential rights is, in addition to the matters described above under *Summary of background and motives*, that the Company is able to obtain and engage certain new strategically important shareholders to support the Company's business development.
- Through the Directed Issue, the Company will receive approximately SEK 14 million before issue costs.
- The subscription price is SEK 0.12 or EUR 0.012 per share. The subscription price has been determined through negotiations with a number of investors and on the terms that the Board of Directors deems the issue can be carried out, adapted to the prevailing market situation. The Company's Board of Directors therefore considers that the subscription price is market-based. The subscription price shall be added to the reserve for invested unrestricted equity.
- Subscription of shares shall be made no later than 29 November 2021. The Company's Board of Directors shall have the right to extend the subscription period.
- Payment shall be made no later than 6 December 2021. The Company's Board of Directors shall have the right to extend the payment period.

- The new shares shall entitle to dividends for the first time on the record date for dividends that occur after the issue has been registered.
- For existing shareholders, the dilution amounts to approximately 33 percent based on the total number of shares in Enersize after the Directed Issue.
- Shares issued in connection with the Directed Issue are not entitled to participate in the Rights Issue.

Underwriting commitments

The investors who are entitled to subscribe in the Directed Issue have entered into agreements to subscribe for shares in the Rights Issue that are otherwise not subscribed for in the framework of the Rights Issue up to an amount of SEK 14 million, corresponding to 100 percent of the Rights Issue. A total of 100 percent of the Rights Issue is thus secured through underwriting commitments. Compensation for the underwriting commitments amounts to 10 percent of the underwritten amount and can be paid in cash or in newly issued shares.

The Company's Board of Directors shall be authorised to resolve on a directed share issue of no more than 11,688,692 new shares for the purposes of such underwriting compensation.

Indicative schedule

This schedule is preliminary and may be changed.

5 November 2021	Extraordinary General Meeting
5 November 2021	Last day of trading in the Company's share on Nasdaq First North Growth Market including the right to participate in the Rights Issue
8 November 2021	First day of trading in the Company's share on Nasdaq First North Growth Market excluding the right to participate in the Rights Issue
9 November 2021	Record date for participation in the Rights Issue (shareholders who are registered in the shareholder register on the record date will receive subscription rights in the Rights Issue)
11 November 2021	Estimated date of publication of the issue memorandum
12 November-22 November 2021	Trading in subscription rights on Nasdaq First North Growth Market
12 November-25 November 2021	Subscription period in Sweden

12 November – 29 November 2021	Subscription period in Finland
12 November- until registration of the issue	Trading in paid subscribed shares (Sw. " <i>Betalda tecknade aktier/BTA</i> ") on Nasdaq First North Growth Market
2 December 2021 (estimated)	Publication of the outcome in the Rights Issue.

Information to Finnish shareholders

In order to trade subscription rights and BTA's on Nasdaq First North Growth Market, a Finnish shareholder will need to transfer its shares to Euroclear Sweden AB's securities system before the record date of the offer.

In order to trade shares on Nasdaq First North Growth Market, a Finnish shareholder will need to transfer its shares to Euroclear Sweden AB's securities system. If a Finnish investor acquires shares through trading on Nasdaq First North Growth Market, such shareholder will need to transfer its shares to Euroclear Finland's system in order to be registered as the owner in the share register kept by Euroclear Finland Oy.

Such cross-border settlement is associated with additional costs and lead times. The account-holding institution will be charged a transfer fee by Euroclear Sweden AB and Euroclear Finland Oy and that fee and other costs charged by the banks involved are likely to be imposed on the shareholder.

Issue memorandum

An issue memorandum is expected to be published no later than 11 November 2021. Full terms and instructions as well as information about underwriting commitments will be available in Enersize's issue memorandum published on the Company's and Nordic Issuing's respective websites, enersize.com and www.nordic-issuing.se.

Advisors

Nordic Issuing acts as the issuing agent and Törngren Magnell & Partners Advokatfirma KB and Waselius & Wist are legal advisors to the Company in connection with the Rights Issue and the Directed Issue.

Important information

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This press release neither identifies nor purports to identify risks (direct or indirect) that may be attributable to an investment in Enersize. The information in this press release is for the sole purpose of describing the background to the Issues and makes no claim to be complete or exhaustive. No declaration shall be made in relation to the information contained in this press release regarding its accuracy or completeness. Nordic Issuing acts on behalf of Enersize in connection with the Issues and not on behalf of anyone else. Nordic Issuing is not liable to anyone else for providing the protection provided to their customers or for advising in connection with the Issues or for anything else mentioned herein.

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This press release is not a prospectus as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. Enersize has not made any offer of shares or other securities to the public in any EEA Member State and no prospectus has or will be prepared in connection with the Issues. In all EEA Member States, this notice is addressed and directed only to qualified investors in that Member State within the meaning of the Prospectus Regulation.

Forward-looking statements

This press release contains forward-looking statements regarding the Company's intentions, assessments or expectations regarding the Company's future results, financial position, liquidity, development, outlook, expected growth, strategies and opportunities, and the markets in which the Company operates. Forward-looking statements are statements that do not relate to historical facts and may be identified by the fact that they contain expressions such as "believe", "expect", "anticipate", "intend", "estimate", "will", "may", "assume", "should", "could" and, in any case, negatives thereof, or similar expressions. The forward-looking statements in this press release are based on various assumptions, which in several cases are based on additional assumptions. Although the

Company believes that the assumptions reflected in these forward-looking statements are reasonable, it cannot be guaranteed that they will be or that they are correct. As these assumptions are based on assumptions or estimates and are subject to risks and uncertainties, actual results or outcomes may, for many different reasons, differ materially from those set out in the forward-looking statements. Such risks, uncertainties, contingencies and other material factors may cause actual events to differ materially from those expressly or implicitly set out in this press release through the forward-looking statements. The Company does not warrant that the assumptions underlying the forward-looking statements in this press release are correct and any reader of the press release should not unduly rely on the forward-looking statements in this press release. The information, opinions and forward-looking statements expressly or implicitly contained herein are provided only as of the date of this press release and are subject to change. Neither the Company nor anyone else undertakes to review, update, confirm or publicly announce any revision of any forward-looking statement to reflect events that occur or circumstances that occur regarding the content of this press release, unless required by law or Nasdaq First North Growth Market regulations.

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The English text is an in-house translation of the original Swedish text. Should there be any disparities between the Swedish and the English text, the Swedish text shall prevail.

About Enersize

Enersize develops and delivers smart software, tools, and services to enable energy optimisation of industrial compressed air systems. The industry expertise of our people and solutions, together with a commitment to become the global leader in compressed air efficiency software, has made Enersize a recognised leader for customers around the world. Enersize is a merger of multiple Nordic companies with experience from more than 7,000 customer projects.

The company is listed on Nasdaq Stockholm First North Growth Market under the ticker: ENERS. For more information visit <https://enersize.com>

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This information is information that Enersize is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2021-10-12 09:30 CEST.

Attachments

[Enersize Oyj proposes a fully underwritten rights issue and a directed issue totalling approximately SEK 28 million](#)